

TOWN OF ROSEPINE  
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
WITH AUDITOR'S REPORTS  
For the Year Ended June 30, 2003

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# **John A. Windham, CPA**

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*A Professional Corporation*

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**John A. Windham, CPA**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable William K. Foshee, Mayor  
and the Members of the Board of Aldermen  
Town of Rosepine, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Rosepine, Louisiana, as of and for the year ended June 30, 2003 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Rosepine, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *GOVERNMENT AUDITING STANDARDS*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statement referred to above present fairly, in all material respects, the financial position of the Town of Rosepine, Louisiana, as of June 30, 2003 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *GOVERNMENT AUDITING STANDARD*, I have also issued my report dated September 24, 2003 on my consideration of the Town of Rosepine, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *GOVERNMENT AUDITING STANDARDS* and should be read in conjunction with this report in considering the results of my audit.

The Honorable William K. Foshee, Mayor  
and the Members of the Board of Aldermen  
Town of Rosepine, Louisiana

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Rosepine, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana  
September 24, 2003

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF ROSEPINE

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2003

ASSETS	Governmental Fund Type		Proprietary Fund Type
	General	Capital Project Fund	Enterprise
Cash	\$ 207,006	\$ 56	\$ 87,219
Receivables -			
Franchise taxes	8,796	-	-
Accounts	-	-	33,931
Due from other funds	-	-	1,904
Prepaid expenses	6,169	-	5,349
Restricted assets	-	-	95,817
Property, Plant and Equipment-net	-	-	1,991,804
Amount to be provided for debt service	-	-	-
Total assets	<u>\$ 221,971</u>	<u>\$ 56</u>	<u>\$ 2,216,024</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 15,657	\$ -	\$ 4,561
Retirement payable	615	-	-
Current portion of note payable	-	-	4,827
Current portion of lease payable	-	-	2,487
Due to other funds	1,848	56	-
Payable from restricted assets:			
Bonds	-	-	26,550
Accrued interest	-	-	2,965
Customers' deposits	-	-	27,115
Bonds, mortgage notes, and leases payable	-	-	682,216
Total liabilities	<u>\$ 18,120</u>	<u>\$ 56</u>	<u>\$ 750,721</u>

Account Groups		Totals (Memorandum Only)
General Fixed Assets	General Long-Term Debt	2003
\$ -	\$ -	\$ 294,281
-	-	8,796
-	-	33,931
-	-	1,904
-	-	11,518
-	-	95,817
489,482	-	2,481,286
-	14,480	14,480
\$ 489,482	\$ 14,480	\$ 2,942,013
\$ -	\$ -	\$ 20,218
-	-	615
-	-	4,827
-	-	2,487
-	-	1,904
-	-	26,550
-	-	2,965
-	-	27,115
-	14,480	696,696
\$ -	\$ 14,480	\$ 783,377

(Continued)

The accompanying notes are an integral part of this statement.



TOWN OF ROSEPINE

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2003

LIABILITIES AND FUND EQUITY	Governmental Fund Type		Proprietary Fund Type
	General	Capital Project Fund	Enterprise
Fund equity:			
Contributed capital	\$ -	\$ -	\$ 2,047,221
Investment in general fixed assets	-	-	-
Retained earnings -			
Reserved for bond retirement and contingencies	-	-	39,188
Unreserved - (deficit)	-	-	(621,106)
Total retained earnings - (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (581,918)</u>
Fund balances -			
Unreserved -			
undesignated	<u>\$ 203,851</u>	<u>\$ -</u>	<u>\$ -</u>
Total fund equity	<u>\$ 203,851</u>	<u>\$ -</u>	<u>\$ 1,465,303</u>
Total liabilities and fund equity	<u>\$ 221,971</u>	<u>\$ 56</u>	<u>\$ 2,216,024</u>

Account Groups		Totals (Memorandum Only)
General Fixed Assets	General Long-Term Debt	2003
\$ -	\$ -	\$ 2,047,221
489,482	-	489,482
-	-	39,188
-	-	(621,106)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (581,918)</u>
 \$ -	 \$ -	 \$ 203,851
<u>\$ 489,482</u>	<u>\$ -</u>	<u>\$ 2,158,636</u>
 \$ 489,482	 \$ 14,480	 \$ 2,942,013
		(Concluded)

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 2003

	General	Capital Project Fund	Totals (Memorandum Only)
Revenues:			
Taxes	\$ 57,487	\$ -	\$ 57,487
Licenses and permits	33,460	-	33,460
Intergovernmental			
Local grant	2,000	-	2,000
LCDBG grant	-	48,975	48,975
Fees, charges, and commisions for services	27,963	-	27,963
Fines and forfeits	87,711	-	87,711
Other revenues	3,378	-	3,378
Total revenues	<u>\$ 211,999</u>	<u>\$ 48,975</u>	<u>\$ 260,974</u>
Expenditures:			
General government	\$ 45,820	\$ -	\$ 45,820
Public safety	137,906	-	137,906
Public works	16,811	48,975	65,786
Total expenditures	<u>\$ 200,537</u>	<u>\$ 48,975</u>	<u>\$ 249,512</u>
Excess of revenues over expenditures	\$ 11,462	\$ -	\$ 11,462
Fund balance, beginning	<u>192,389</u>	<u>-</u>	<u>192,389</u>
Fund balance, ending	<u>\$ 203,851</u>	<u>\$ -</u>	<u>\$ 203,851</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Year Ended June 30, 2003

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 57,700	\$ 57,487	\$ (213)
Licenses and permits	33,500	33,460	(40)
Intergovernmental	2,000	2,000	-
Fees, charges, and commisions for services	28,000	27,963	(37)
Fines and forfeits	88,000	87,711	(289)
Other revenues	3,430	3,378	(52)
Total revenues	<u>\$ 212,630</u>	<u>\$ 211,999</u>	<u>\$ (631)</u>
Expenditures:			
General government	\$ 50,555	\$ 45,820	\$ 4,735
Public safety	137,970	137,906	64
Public works	17,425	16,811	614
Total expenditures	<u>\$ 205,950</u>	<u>\$ 200,537</u>	<u>\$ 5,413</u>
Excess of revenues over expenditures	\$ 6,680	\$ 11,462	\$ 4,782
Fund balance, beginning	<u>192,389</u>	<u>192,389</u>	<u>-</u>
Fund balance, ending	<u>\$ 199,069</u>	<u>\$ 203,851</u>	<u>\$ 4,782</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - PROPRIETARY FUND TYPE

For the Fiscal Year Ended June 30, 2003

	Enterprise Fund
Operating revenues:	
Charges for services	<u>\$ 253,329</u>
Operating expenses:	
Personal services	\$ 151,919
Supplies	7,327
Other services and charges	71,252
Heat, light, and power	25,008
Depreciation	101,500
Amortization	591
Total operating expenses	<u>\$ 357,597</u>
Operating loss	<u>\$ (104,268)</u>
Non-operating revenues (expenses):	
Sales taxes	\$ 72,554
Interest income	1,834
Interest expense	(45,499)
Total non-operating revenues (expenses)	<u>\$ 28,889</u>
Net income	\$ (75,379)
Retained earnings, (deficit) beginning	<u>(506,539)</u>
Retained earnings, (deficit) ending	<u>\$ (581,918)</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

## STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the Fiscal Year Ended June 30, 2003

	Enterprise Fund
Cash flows from operating activities:	
Cash received for charges for services	\$ 252,486
Cash payments to suppliers for goods and services	(109,027)
Cash payments to employees for salaries and related benefits	(151,919)
Net cash used by operating activities	<u>\$ (8,460)</u>
Cash flows from noncapital financing activities:	
Sales tax revenue	<u>\$ 72,554</u>
Net cash provided by noncapital financing activities	<u>\$ 72,554</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (9,935)
Principal paid on long-term debt	(29,878)
Interest paid on long-term debt	(45,876)
Amount loaned to other funds	(56)
Net cash used for capital and related financing activities	<u>\$ (85,745)</u>
Cash flows from investing activities:	
Interest on cash management activities	<u>\$ 1,834</u>
Net decrease in cash and cash equivalents	\$ (19,817)
Cash and cash equivalents, beginning of year	<u>202,853</u>
Cash and cash equivalents, end of year	<u>\$ 183,036</u>
	(Continued)

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

## STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the Fiscal Year Ended June 30, 2003

RECONCILIATION OF OPERATING LOSS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES:

	Enterprise Fund
	<hr/>
Operating loss	\$ (104,268)
	<hr/>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	\$ 102,091
Changes in assets and liabilities:	
Decrease in accounts receivable	302
Increase in prepaid expenses	(994)
Decrease in customer deposits	(1,145)
Decrease in accounts payable	(4,446)
Total adjustments	<hr/> \$ 95,808
	<hr/>
Net cash provided by operating activities	\$ (8,460)
	<hr/> (Concluded)

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2003

#### INTRODUCTION

The Town of Rosepine was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Rosepine conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of States and Local Governmental Units.

The Town maintains a general fund that provides police protection for its citizens and repairs and maintenance of approximately 7 miles of roads and streets, an enterprise fund that provides water and sewer service to approximately 700 residents, and a capital project fund for construction of capital assets.

The Town is located within Vernon Parish in the southwestern part of the State of Louisiana and is comprised of approximately 1,500 residents. The governing board is composed of five elected aldermen that are compensated for regular and special board meetings. There are six employees who maintain the water and sewer systems and handle the clerical work of the Town. The police department consists of an elected chief of police, one full time deputy and two part time deputies.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PRESENTATION

The accompanying financial statements of the Town of Rosepine have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

##### B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Rosepine is considered a separate financial reporting entity. The Town of Rosepine, which is the primary government, does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, therefore the Town is also the financial reporting entity.



## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **C. FUND ACCOUNTING**

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

##### Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities including the acquisition or construction of general fixed assets, and the servicing of general long term debt. Governmental funds include:

General Fund - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

Capital Project Fund - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

##### Proprietary Fund

The proprietary fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The proprietary fund differs from the governmental fund in that its focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. The proprietary fund includes:

Enterprise Fund - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

##### Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts are considered “measurable and available” when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

##### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

##### Other financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **E. BUDGET**

The municipality uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

#### **F. ENCUMBRANCES**

The Town of Rosepine does not use encumbrance accounting.

#### **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and or any other state of the United States, or under the laws of the United States.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **H. INVESTMENTS**

Investments are limited by Louisiana Revised (R.S.) 33:2955 and the municipality's investment policy. If the original maturities of investment exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The Town of Rosepine, Louisiana had no investments as of June 30, 2003

#### **I. SHORT-TERM INTERFUND RECEIVABLES/PAYMENTS**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivable and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

#### **J. INVENTORIES**

The Town of Rosepine does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

#### **K. PREPAID ITEMS**

Prepaid amounts consist of insurance policy premiums paid in advance.

#### **L. RESTRICTED ASSETS**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**Bond sinking funds** - The Utility Revenue bonds dated November 1, 1995 require a monthly deposit into a sinking fund of \$2,600 for payment of principal and interest due each month. The Utility Revenue Refunding bonds dated June 1, 1998 require a sinking fund deposit paid monthly in advance on or before the 20<sup>th</sup> day of each month during the period June, 1998 through March, 1999, of \$2,919.94 and thereafter monthly in advance on or before the 20<sup>th</sup> day of each month of each year. Commencing April, 1999, a sum equal to one-sixth (1/6<sup>th</sup>) of the interest falling due on the next interest payment date and a sum equal to one-twelfth (1/12<sup>th</sup>) of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due shall be deposited into the sinking fund.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Bond reserve funds - The Utility Revenue bonds dated November 1, 1995 require a monthly deposit into a reserve fund of \$130 until a \$31,200 balance is accumulated therein. Money in these accounts is used to pay the maturing principal and interest on the bonds when there is not sufficient money in the sinking funds.

Depreciation and contingency funds - the Utility Revenue bonds dated November 1, 1995 require a monthly deposit into a depreciation and contingency fund of \$133 for the life of the bond. Money in this account is used for repairs and replacement of the existing utility system. The Utility Revenue Refunding Bonds dated June 1, 1998 require a depreciation and contingency fund deposit paid monthly in advance on or before the 20<sup>th</sup> day of each month, commencing June, 1998, a sum at least equal to five percent (5%) of the amount to be paid into the sinking fund.

#### **M. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are capitalized. Interest costs incurred during construction are not capitalized.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight line method and useful lives as follows:

<u>Utility Fund</u>	
Wells	40 years
Storage tanks	40 years
Purification plants	40 years
Lines and meters	40 years
Autos and trucks	5 years
Other equipment	3-15 years
Pump Stations	40 years
Lines	40 years
Buildings	40 years

#### **N. COMPENSATED ABSENCES**

The Town of Rosepine does not provide for the accumulation and vesting of leave.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### **O. LONG-TERM OBLIGATIONS**

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

#### **P. FUND EQUITY**

##### Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

##### Reserves

Reserves represent those portions of fund equity not appropriated for expenditures or legally segregated for a specific future use.

##### Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

#### **Q. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.



## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### R. SALES TAXES

The Town of Rosepine receives a one-percent sales tax, which is dedicated to the maintenance of the sewer system for a period of 40 years beginning December 14, 1972.

#### S. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### T. FASB PRONOUNCEMENTS

The Town of Rosepine has applied all applicable GASB (Government Accounting Standards Board) pronouncements as well as FASB (Financial Accounting Standards Board) statements and interpretations, APB (Accounting Principles Board) opinions and ARB's (Accounting Research Bulletin) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Also, applied are all FASB statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

#### 2. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earning at June 30, 2003.

<u>Fund</u>	<u>Deficit Amount</u>
Enterprise Fund	<u>\$ 621,106</u>

The retained earnings deficit of the enterprise fund arises because of the application of general accepted accounting principles of financial reporting for such funds.

Depreciation and amortization, non-cash expenses, contributes to the deficit. Even though the retained earnings deficit exists, the enterprise fund had an overall fund equity of \$ 1,465,303 at June 30, 2003. The Board of Aldermen will raise users fees to reduce the retained earnings deficit, when needed.

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 3. LEVIED TAXES

Taxes are levied on January 1, billed between November 1 and November 15, and payable by December 31. The lien date for unpaid taxes is August 15 of the following year. The tax collector bills and collects the Town's taxes. Town property tax revenues are recognized when billed to the extent that they result in current receivables.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Citywide taxes:			
General corporate tax	5.00	5.00	renewed annually

### 4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2003:

Demand deposits	\$ 21,721
Interest-bearing demand deposits	309,498
Money market accounts	58,379
Petty cash	<u>500</u>
Total	<u>\$ 390,098</u>

These deposits are stated at cost, which approximate market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2003, the primary government has \$ 400,051 in deposits (collected bank balances.) These deposits are secured from risk by \$ 121,667 of federal deposit insurance and \$ 278,384 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3.)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB statement No. 3, Louisiana Revised Statute 39:1129 imposes as statutory requirement on the custodial bank to advertise and sell the pledged securities upon demand. State statutes relating to cash and cash equivalents are located at Note 1G, "Cash and Cash Equivalents."



# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 5. INVESTMENTS

The Town of Rosepine had no investments as of June 30, 2003.

### 6. RECEIVABLES

The following is a summary of receivables for June 30, 2003.

Class of Receivable	General Fund	Proprietary Fund
Taxes:		
Franchise tax	\$ 8,796	\$ -
Utility billing		
Accounts	-	33,931
Total	<u>\$ 8,796</u>	<u>\$ 33,931</u>

The Town has elected to write off bad debts as they are deemed to be uncollectible as determined by management. Bad debts are shown as an adjustment to charges for services in the enterprise fund. Due to the immateriality of uncollectible accounts, an allowance for doubtful accounts has not been established.

### 7. FIXED ASSETS

The changes in general fixed assets follow:

	Balance June 30, 2002	Additions	Deductions	Balance June 30, 2003
Land	\$ 410	\$ -	\$ -	\$ 410
Improvements other than buildings	44,898	-	-	44,898
Street and roads	275,569	59,425	-	334,994
Equipment and furniture	81,358	-	-	81,358
Vehicle	<u>27,822</u>	<u>-</u>	<u>-</u>	<u>27,822</u>
Total	<u>\$ 430,057</u>	<u>\$ 59,425</u>	<u>\$ -</u>	<u>\$ 489,482</u>

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A summary of proprietary property, plant and equipment follows:

Land	\$	29,945
Building		80,584
Wells		734,187
Sewer plant & equipment		1,853,856
Mains, storage, & equipment		680,017
Fences		9,340
Intangible cost		79,879
Office furniture & fixtures		19,885
Truck and tractors		88,190
Bond issuance cost		7,097
Total	\$	<u>3,582,980</u>
Less:		
Accumulated depreciation	\$	(1,588,170)
Accumulated amortization		<u>(3,006)</u>
Total	\$	<u>1,991,804</u>

### 8. PENSION PLAN

Substantially all employees of the Town of Rosepine are members of the following statewide retirement system: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

#### A. Municipal Employees Retirement System of Louisiana (System)

**Plan Description.** The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service.

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town of Rosepine is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Rosepine are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Rosepine contributions to the System under Plan B for the years June 30, 2003, 2002 and 2001 were \$3,885, \$2,920 and \$2,938 respectively, equal to the required contributions for each year.

#### B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after the age of 50 with at least 20 years of creditable service, at or after the age of 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF ROSEPINE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Rosepine is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Rosepine are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Rosepine contributions to the System for the year ended June 30, 2003, 2002, and 2001 were \$4,071, \$4,162 and \$3,791 respectively, equal to the required contributions for each year.

**9. ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at June 30, 2003:

Class of Payable	<u>General Fund</u>	<u>Proprietary Fund</u>
Accounts	<u>\$ 15,657</u>	<u>\$ 4,561</u>

**10. LEASES**

The municipality records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital lease assets at June 30, 2003.

<u>Type</u>	<u>Recorded Amount</u>
Vehicle	\$ 20,669
Equipment	<u>25,832</u>
Total	<u>\$ 46,501</u>

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of June 30, 2003.

<u>Fiscal Year</u>	<u>Vehicle</u>	<u>Equipment</u>	<u>Total</u>
2004	\$ 5,049	\$ 5,847	\$ 10,896
2005	-	5,847	5,847
2006	-	5,847	5,847
2007	-	3,417	3,417
Total minimum lease payments	5,049	20,958	26,007
Less - amount representing interest	(116)	(1,863)	(1,979)
Present value of net minimum lease payments	<u>\$ 4,933</u>	<u>\$ 19,095</u>	<u>\$ 24,028</u>

### 11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transaction for the year ended June 30, 2003.

	<u>Proprietary Fund</u>				
	<u>Bonded Debt</u>	<u>Mortgage Note</u>	<u>Promissory Note</u>	<u>Capital Lease</u>	<u>Total</u>
Long-term obligations					
Payable at June 30, 2002	\$ 642,150	\$ 49,594	\$ 42,276	\$ 11,908	\$ 745,928
Additions	-	-	-	-	-
Principal payments	(25,548)	-	(4,508)	(2,360)	(32,416)
Reduction in deferred valuation account	<u>2,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,568</u>
Long-term obligations					
Payable at June 30, 2003	<u>\$ 619,170</u>	<u>\$ 49,594</u>	<u>\$ 37,768</u>	<u>\$ 9,548</u>	<u>\$ 716,080</u>

# TOWN OF ROSEPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Revenue bonds, are comprised of the following individual issues:

### Utilities Revenue Refunding Bonds, Series 1998

\$247,000 Utilities Revenue Refunding Bonds dated 6-1-98, due in average annual installments of \$31,000 through 4-1-10, interest at 7.25%. Proceeds to be used for constructing and acquiring extensions and improvements to the combined waterworks and sewerage systems. \$ 164,030

### Utilities Revenue Bonds

\$500,000 Utilities Revenue Bonds dated 11-1-95; due in monthly installments of \$2,600 beginning 12-1-96 and continuing through constructing and acquiring extensions and improvements to the combined waterworks and sewerage systems including the payment of a bond anticipation note dated 4-20-95 issued to provide interim financing for the project. \$ 470,124

### Promissory Note

\$52,403 promissory note dated 11-4-88 due in monthly installments of \$610 beginning 12-20-99 and continuing through 11-20-09; interest at the rate of 7.00%. Proceeds to be used to fund the buy back of retirement for employees joining the Municipal Employees Retirement System of Louisiana. \$ 37,768

The annual cash flow required to service the debt as of June 30, 2003, including interest payments of \$ 630,244 are as follows:

June 30,	Proprietary Fund			Total
	Utilities Revenue Refunding Bonds	Utilities Revenue Bonds	Promissory Note	
2004	\$ 33,519	\$ 31,200	\$ 7,325	\$ 72,044
2005	34,857	31,200	7,325	73,382
2006	29,163	31,200	7,325	67,688
2007	29,854	31,200	7,325	68,379
2008	29,949	31,200	7,325	68,474
Thereafter	55,222	886,600	10,377	952,199
Total	\$ 212,564	\$ 1,042,600	\$ 47,002	\$ 1,302,166

## TOWN OF ROSEPINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town of Rosepine has a mortgage payable in the amount of \$49,594 carried on its books. This note arose years ago when a local subdivision developer paid to have Town water lines run throughout the subdivision. The Town agreed to charge new connecting customers a fee to tap into the Town water line and in turn pay the local developer. A note was signed between the Town and the land developer and the contract was honored for several years. The developer then went out of business and relocated. The Town has requested and received a legal opinion from their attorney that states the note should remain on the books but payments need not be made to the developer at this time. The Town is currently researching the note through their attorney. Any amount due under the contract as of June 30, 2003 would be immaterial to the Town's financial statements.

#### 12. RESERVED RETAINED EARNINGS

The Enterprise Fund-Utility Fund has reserved retained earnings available as follows:

Sinking funds	\$ 8,344
Reserve funds	27,468
Depreciation and contingency funds	30,910
Customer deposits	<u>29,096</u>
Total	<u>\$ 95,818</u>
Less:	
Liabilities payable from restricted assets:	
Current portion of bonds	\$ 26,550
Accrued interest on bonds	2,965
Customer deposits	<u>27,115</u>
Total	<u>\$ 56,630</u>
Reserved retained earnings	<u>\$ 39,188</u>

TOWN OF ROSEPINE

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

**13. CHANGES IN CONTRIBUTED CAPITAL**

The following is a summary of changes in contributed capital:

	Enterprise Fund
Balance at June 30, 2002	\$ 2,047,221
Additions	-
Deductions	-
Balance at June 30, 2003	<u>\$ 2,047,221</u>



## SUPPLEMENTAL INFORMATION SCHEDULES

## GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

TOWN OF ROSEPINE  
GENERAL FUNDBALANCE SHEET  
June 30, 2003

## ASSETS

Cash	\$ 207,006
Franchise taxes receivable	8,796
Prepaid insurance	<u>6,169</u>
Total assets	<u>\$ 221,971</u>

## LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 15,657
Retirement payable	615
Due to utility fund	<u>1,848</u>
Total liabilities	<u>\$ 18,120</u>
Fund balance:	
Unreserved - undesignated	<u>\$ 203,851</u>
Total liabilities and fund balance	<u>\$ 221,971</u>

TOWN OF ROSEPINE  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 57,700	\$ 57,487	\$ (213)
Licenses and permits	33,500	33,460	(40)
Intergovernmental	2,000	2,000	-
Fees, charges, and commissions for services	28,000	27,963	(37)
Fines and forfeits	88,000	87,711	(289)
Other revenues	3,430	3,378	(52)
Total revenues	<u>\$ 212,630</u>	<u>\$ 211,999</u>	<u>\$ (631)</u>
Expenditures:			
General government	\$ 50,555	\$ 45,820	\$ 4,735
Public safety	137,970	137,906	64
Public works	17,425	16,811	614
Total expenditures	<u>\$ 205,950</u>	<u>\$ 200,537</u>	<u>\$ 5,413</u>
Excess of revenues over expenditures	\$ 6,680	\$ 11,462	\$ 4,782
Fund balance, beginning	<u>192,389</u>	<u>192,389</u>	<u>-</u>
Fund balance, ending	<u>\$ 199,069</u>	<u>\$ 203,851</u>	<u>\$ 4,782</u>

TOWN OF ROSEPINE  
GENERAL FUND

SCHEDULE OF REVENUES COMPARED TO  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance - Favorable (Unfavorable)
Taxes:			
Ad valorem taxes	\$ 17,700	\$ 17,679	\$ (21)
Franchise taxes	40,000	39,808	(192)
Total taxes	<u>\$ 57,700</u>	<u>\$ 57,487</u>	<u>\$ (213)</u>
Licenses and permits:			
Occupational	<u>\$ 33,500</u>	<u>\$ 33,460</u>	<u>\$ (40)</u>
Intergovernmental:			
Local grants:			
Civic club	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Fees, charges, and commissions for services:			
Court fees	<u>\$ 28,000</u>	<u>\$ 27,963</u>	<u>\$ (37)</u>
Fines and forfeits:			
Traffic fines	<u>\$ 88,000</u>	<u>\$ 87,711</u>	<u>\$ (289)</u>
Miscellaneous:			
Miscellaneous	\$ 1,580	\$ 1,537	\$ (43)
Interest income	<u>1,850</u>	<u>1,841</u>	<u>(9)</u>
Total other revenue	<u>\$ 3,430</u>	<u>\$ 3,378</u>	<u>\$ (52)</u>
Total revenues	<u>\$ 212,630</u>	<u>\$ 211,999</u>	<u>\$ (631)</u>

TOWN OF ROSEPINE  
GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Fiscal Year Ended June 30, 2003

	Budget	Actual	Variance - Favorable (Unfavorable)
General government:			
Supplies	\$ 5,300	\$ 3,752	\$ 1,548
Other services and charges	25,180	24,468	712
Heat, light, and power	17,500	17,600	(100)
Capital outlay	2,575	-	2,575
Total general government	<u>\$ 50,555</u>	<u>\$ 45,820</u>	<u>\$ 4,735</u>
Public safety:			
Personal services	\$ 87,160	\$ 87,203	\$ (43)
Supplies	6,950	6,858	92
Vehicle expenses	12,927	13,748	(821)
State fees on fines	9,660	8,973	687
Other services and charges	13,700	13,551	149
Debt Service:			
Principal	7,025	7,025	-
Interest	548	548	-
Total public safety	<u>\$ 137,970</u>	<u>\$ 137,906</u>	<u>\$ 64</u>
Public works:			
Highways and streets:			
Street maintenance	\$ 4,046	\$ 3,432	\$ 614
Capital outlay	10,450	10,450	-
Debt Service:			
Principal	2,360	2,360	-
Interest	569	569	-
Total public works	<u>\$ 17,425</u>	<u>\$ 16,811</u>	<u>\$ 614</u>
Total expenditures	<u>\$ 205,950</u>	<u>\$ 200,537</u>	<u>\$ 5,413</u>

## ENTERPRISE FUND

Utility Fund -- To account for the provisions of water and sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financial and related debt service, and billing and collection.

TOWN OF ROSEPINE  
ENTERPRISE FUND

BALANCE SHEET  
June 30, 2003

ASSETS

Current assets:

Cash	\$ 87,219
Accounts receivable:	
Accounts	33,931
Due from general fund	1,848
Due from capital projects fund	56
Prepaid insurance	5,349
Total current assets	<u>\$ 128,403</u>

Restricted assets:

Bond reserve, sinking fund, and contingency account	\$ 66,721
Customers' deposits	29,096
Total restricted assets	<u>\$ 95,817</u>

Plant in service:

Property, plant, and equipment at cost, net of accumulated depreciation	\$ 1,987,714
Bond issue cost, net of accumulated amortization	4,090
Total plant in service	<u>\$ 1,991,804</u>

Total assets	<u>\$ 2,216,024</u>
	(Continued)



TOWN OF ROSEPINE  
ENTERPRISE FUND

BALANCE SHEET  
June 30, 2003

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities (payable from current assets):

Accounts payable	\$ 4,561
Current portion of notes payable	4,827
Current portion of lease payable	<u>2,487</u>
Total current liabilities (payable from current assets)	<u>\$ 11,875</u>

Current liabilities (payable from restricted assets):

Current portion of bonds payable	\$ 26,550
Accrued bond interest	2,965
Customers' deposits	<u>27,115</u>
Total current liabilities (payable from restricted assets)	<u>\$ 56,630</u>

Long-term liabilities:

Mortgage note payable	\$ 49,594
Notes payable	32,940
Bonds payable	607,604
Lease payable	7,061
Deferred refunding valuation	<u>(14,983)</u>
Total long-term liabilities	<u>\$ 682,216</u>
Total liabilities	<u>\$ 750,721</u>

Fund Equity:

Contributed capital -	
Municipality	\$ 18,313
Federal and state grants	<u>2,028,908</u>
Total contributed capital	<u>\$ 2,047,221</u>

Retained earnings:

Reserve for contingency funds	\$ 39,188
Unreserved	<u>(621,106)</u>
Total retained earnings	<u>\$ (581,918)</u>
Total fund equity	<u>\$ 1,465,303</u>
Total liabilities and fund equity	<u>\$ 2,216,024</u>
	(Concluded)

TOWN OF ROSEPINE  
ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - PROPRIETARY FUND TYPE

For the Year ended June 30, 2003

Operating revenues:	
Charges for services	\$ 253,329
Operating expenses:	
Personal services	\$ 151,919
Supplies	7,327
Other services and charges	71,252
Heat, light, and power	25,008
Depreciation	101,500
Amortization	591
Total operating expenses	\$ 357,597
Operating loss	\$ (104,268)
Non-operating revenues (expenses):	
Sales taxes	\$ 72,554
Interest income	1,834
Interest expense	(45,499)
Total non-operating revenues (expenses)	\$ 28,889
Net income	\$ (75,379)
Retained earnings, (deficit) beginning	(506,539)
Retained earnings, (deficit) ending	\$ (581,918)

TOWN OF ROSEPINE  
ENTERPRISE FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -  
RESTRICTED ACCOUNTS REQUIRED BY BOND ORDINANCE

For the Fiscal Year Ended June 30, 2003

	FNB Sinking Fund	FNB Depreciation and Contingency Fund
	<u>                    </u>	<u>                    </u>
Cash, July 1, 2002	\$ 5,793	\$ 16,984
Cash receipts:		
Transfers from operating cash	\$ 34,170	\$ 1,714
Interest income	-	200
	<u>                    </u>	<u>                    </u>
Total cash available	\$ 39,963	\$ 18,898
Cash disbursements:		
Principal payments	\$ 20,893	\$ -
Interest payments	13,406	-
Bank fees	-	-
Repairs and maintenance	-	-
	<u>                    </u>	<u>                    </u>
Total cash disbursements	\$ 34,299	\$ -
Cash June 30, 2003	\$ 5,664	\$ 18,898

RECD Sinking Fund	RECD Reserve Fund	RECD Depreciation and Contingency Fund	Total
<u>\$ 2,679</u>	<u>\$ 25,609</u>	<u>\$ 10,294</u>	<u>\$ 61,359</u>
\$ 31,200	\$ 1,560	\$ 1,596	\$ 70,240
<u>-</u>	<u>299</u>	<u>122</u>	<u>621</u>
<u>\$ 33,879</u>	<u>\$ 27,468</u>	<u>\$ 12,012</u>	<u>\$ 132,220</u>
\$ 4,655	\$ -	\$ -	\$ 25,548
26,545	-	-	39,951
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 31,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,499</u>
<u>\$ 2,679</u>	<u>\$ 27,468</u>	<u>\$ 12,012</u>	<u>\$ 66,721</u>

## TOWN OF ROSEPINE

## SCHEDULE OF GENERAL FIXED ASSETS

June 30, 2003

## General fixed assets, at cost:

Equipment	\$ 81,358
Land	410
Streets and roads	334,994
Bridge	44,898
Vehicle	<u>27,822</u>

Total general fixed assets	<u>\$ 489,482</u>
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## Investment in general fixed assets:

General fund revenues	\$ 156,580
Volunteer fire department	3,519
Grant funds	<u>329,383</u>

Total investment in general fixed assets	<u>\$ 489,482</u>
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## TOWN OF ROSEPINE

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS

June 30, 2003

	<u>Vehicle</u>	<u>Equipment</u>	<u>Land</u>	<u>Streets and Roads</u>	<u>Bridge</u>	<u>Total</u>
General fixed assets, beginning of year	\$ 27,822	\$ 81,358	\$ 410	\$ 275,569	\$ 44,898	\$ 430,057
Additions:						
Assets added	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,425</u>	<u>-</u>	<u>59,425</u>
Deductions:						
Assets removed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General fixed assets, end of year	<u>\$ 27,822</u>	<u>\$ 81,358</u>	<u>\$ 410</u>	<u>\$ 334,994</u>	<u>\$ 44,898</u>	<u>\$ 489,482</u>

## TOWN OF ROSEPINE

## SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS

Year ended June 30, 2003

<u>Board Member</u>	<u>Total Paid</u>
Carol Bosley	\$ 1,225
James Weeks	600
Kenneth Harper	1,225
Jimmy Cryar	1,225
Todd Fazio	1,225
Jerry Wells	625
	<u>\$ 6,125</u>

TOWN OF ROSEPINE  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ending June 30, 2003

There were no prior year audit finding for the year ended June 30, 2002.



# **John A. Windham, CPA**

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable William K. Foshee, Mayor  
and the Members of the Board of Aldermen  
Town of Rosepine, Louisiana

I have audited the general purpose financial statements of the Town of Rosepine, Louisiana, as of and for the year ended June 30, 2003, and have issued my report thereon dated September 24, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in, *GOVERNMENT AUDITING STANDARDS*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Rosepine, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclose no instances of noncompliance that are required to be reported under *GOVERNMENT AUDITING STANDARDS*.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Rosepine, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

The Honorable William K. Foshee, Mayor  
and the Members of the Board of Aldermen  
Town of Rosepine, Louisiana

This report is intended solely for the information and use of management, the Board of Aldermen, the Legislative Auditor, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*John A. Windham, CPA*

DeRidder, Louisiana  
September 24, 2003